

**REMARKS/ARGUMENTS**

Claims 1-72 are pending in the application. Claims 1-72 stand rejected as obvious under 35 U.S.C. § 103(a). The rejection is respectfully traversed and reconsideration is requested. The references asserted do not teach or suggest the claimed invention.

***Claim Amendments***

The amendment of independent method claim 1 and independent system claim 34 proposes that the transaction account service levels consist of a first level which includes a person-to-person payment service enabling the user to receive and send funds from the user's transaction account, a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient; a second level that includes all the features of the first level plus an access card enabling the user to access funds in the user's transaction account for off-line transactions; and a third level that includes all the features of the first and second levels plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account.

The amendment of independent claim 72 proposes a credit facility for the user to supplement the save for later portion of the funds in the transaction account for use in a transaction, which is accessible by the user only after depleting the save for later portion of the funds in the transaction account. See, e.g., p. 16, line 20-p. 17, line 6.

Claims 12-16 and 45-49 are canceled and claims 17 and 50 are amended to address editorial issues relating to the amendment of claims 1 and 34.

Support for the amendment is found throughout the specification and in the claims and accordingly no new matter has been added.

***Claim Rejections - 35 U.S.C. § 103***

Claims 1-72 stand rejected under 35 U.S.C. § 103(a) as obvious over Schutzer (U.S. 6,292,789 B1) in view of a Citibank.com web page printout, excerpts from Quicken 99 for Windows for Dummies by Nelson, Schraeder et al (U.S. 5,903,881), an X.com web page printout, and a PayPal.com web page printout. The Examiner considers that Schutzer discloses each and every element of claims 1-72 except the details of enrollment and banking; that the "Citibank.com" web page printout discloses all the elements of claims 1-72; that Nelson discloses all the elements of claims 1-72 regarding on-line bill payments, held money features; and save for later features; that Schraeder et al. discloses save for later and held money portions of the transaction account; that the X.com web page printout discloses claims 1-72 and announces a merger with PayPal; and that the PayPal.com web page printout discloses enrollment in an online payment system.

Referring to independent claims 1 and 34, Schutzer teaches a method and system for electronic bill presentment in which a biller signs up for billing service with a bill service provider, and thereafter consumers can sign up to have the biller's bills presented to the consumer by enrolling with a consumer service provider. See, e.g., Schutzer, Col 13, line 45-Col 14, line 3. The biller submits bills for a particular cycle to the bill service provider, and the consumer service provider sends a notice of a new bill to the consumer's e-mail address, whereupon the consumer can pay either by sending an email with payment instructions to his payment processor, e.g., the bank where he has his bank account, or via his home banking software that interfaces to his payment processor, which then clears and settles the payment using, e.g., an ACH authorization. See, e.g., Schutzer, Col 15, lines 3-23.

It is apparent on its face Schutzer neither teaches nor suggests providing a transaction account as recited in claims 1 and 34 and that the term "account" as used throughout Schutzer, such as biller "account" and consumer "account", does not refer to the transaction account which is used as a source and destination of funds as recited in claims 1 and 34, but instead simply refers to the arrangements establishing the

parameters for services to be provided to billers or consumers by the respective service providers in Schutzer. There is no teaching or suggestion whatsoever in Schutzer of providing a transaction account that the user can use as a source and a destination of funds as recited in claims 1 and 34. On the contrary, Schutzer teaches that the bank where the consumer has his bank account simply pays the consumer's bills out of the consumer's bank account pursuant to instructions from the consumer using the ACH clearing and settlement process. See, e.g., Schutzer, Col 15, lines 3-23.

Schutzer does not provide a transaction account as recited in claims 1 and 34, and it follows that there is no such transaction account in Schutzer with different levels of service or within which funds can reside and be used by the user for payments, purchases, or withdrawals as recited in claims 1 and 34. Nor is there any teaching or suggestion whatsoever in Schutzer of international payments as recited in claims 1 and 34. Instead, according to Schutzer, the consumer simply receives bills, e.g., by email from his consumer service provider, whereupon his options are limited to sending instructions either by email or home banking software to his bank, which then issues checks on the consumer's account and clears and settles the payment. See, e.g., Schutzer, Col 15, lines 3-23.

While the Citibank.com web page printout offers online financial services, as previously pointed out, Citibank.com is not prior art under 35 U.S.C. 102, as the entire subject matter of the reference so identified by the Examiner comprises a publication by the assignee of this application, Citicorp Credit Services, Inc, related to embodiments of the invention described and claimed in this application, which invention was, at the time the invention was made and at the time of such publication and at all times before and since, subject to an obligation of all of the inventors of the invention to assign the invention to Citicorp Credit Services, Inc., pursuant to which an Assignment of the invention was duly executed by all of such inventors and recorded in the U.S. Patent and Trademark Office on October 1, 2001 at Reel 012214, Frame 0007. As also previously pointed out, this application claims priority to and incorporates by reference U.S. Provisional Application No. 60/217,489 filed July 11, 2000 and U.S. Provisional Application No. 60/219,088 filed July 18, 2000, each of which was filed less than one

year after the October 13, 1999 publication date asserted by the Examiner for the Citibank.com web page printout, which is therefore not prior art under 35 U.S.C. 102 and thus does not cure the deficiencies of Schutzer.

Nelson and Schrader et al., which both disclose the same QUICKEN home banking software, do not remedy the deficiencies of Schutzer. According to Nelson and Schrader et al., the user selects the bank where he has an account from a menu of participating banks and enters his bank's ABA routing number along with his bank account number and customer ID number. See, e.g. Nelson p. 101; Schrader, Col 15, lines 27-54. There is no teaching or suggestion whatsoever in Nelson and/or Schrader et al. of providing a transaction account for the user as a money deposit account to use as a source and a destination of funds with different service levels as recited in claims 1 and 34. On the contrary, Nelson and Schrader et al. simply allow the user to designate his own bank account as the source of funds from which to make payments. Nor is there any teaching or suggestion whatsoever in Nelson and/or Schrader of providing a transaction account within which the consumer is allowed to have funds reside as recited in claims 1 and 34. Instead, according to Nelson and Schrader et al., the bank customer sends instructions for payment of his bills to the bank via the home banking software, and the bank simply issues checks on the customer's own bank account to pay the bills. See, e.g., Nelson, p. 103-106; Schrader, Col 15, line 55-Col 16, line 12.

As already noted, Nelson and/or Schrader et al. do not provide a transaction account within which the bank customer is allowed to have funds reside as recited in claims 1 and 34, and it follows that Nelson and/or Schrader neither teach nor suggest allowing funds to reside in the transaction account and be used by the bank customer for payments, purchases, or withdrawals as recited in claims 1 and 34. Nor is there any teaching or suggestion in Nelson and/or Schrader et al. whatsoever of international payments as recited in claims 1 and 34. On the contrary, the bank customer merely sends instructions to his bank via the home banking software to have the bank issue checks on the customer's checking account to pay the customer's bills, or the customer can check his account balance, or the customer can transfer funds

between his accounts with the bank. See, e.g., Nelson, p. 103-108; Schrader, Col 15, line 55-Col 19, line 24.

Nor does the X.com web page printout, which discloses an offer of online banking services, remedy the deficiencies of Schutzer, Nelson, and Schrader et al. On the contrary, X.com simply invites a user to open an account and receive the VISA check card and free starter kit of checks in the mail and offers the banking service through First Western National Bank, including a checking account that allows the user to move cash into and out of the checking account. See, e.g., X.com p. 3. However, there is no teaching or suggestion whatsoever in X.com of providing a transaction account for the user as a money deposit account with different service levels as recited in claims 1 and 34. Nor is there any teaching or suggestion whatsoever of international payments as recited in claims 1 and 34. Instead, X.com simply offers banking service through First Western National Bank, including the checking account that allows users to send money over the Internet to be retrieved at ATMs with debit cards mailed to the recipient. See, e.g., X.com p. 3-6.

Neither does the PayPal.com web page printout, which discloses payments by email, remedy the deficiencies of Schutzer, Nelson, Schrader et al., and X.com. There is no teaching or suggestion whatsoever in PayPal.com of providing a transaction account with different service levels as recited in claims 1 and 34. On the contrary, according to PayPal.com, a user is allowed to log on to the website and register for email payment service and to use his own credit or bank account as the source account for the email payment and have funds deposited directly to his bank. See, e.g., PayPal, p. 2.

Thus, Schutzer, Nelson, Schrader et al., X.com, and/or PayPal.com do not disclose, nor even suggest, the method and system for online payments as recited in independent claims 1 and 34. Consequently, Schutzer, Nelson, Schrader, X.com, and/or PayPal.com do not recite the required combination of limitations of claims 1 and 34 proposing a method and system for making on-line payments which involves

providing the user a transaction account as a money deposit account with one or more service levels, upon receipt of enrollment information and designation of a source account from the user, wherein the service levels consist of a first level that includes a person-to-person payment service enabling the user to receive and send funds from the user's transaction account, a save for later feature enabling the user to accumulate a balance of funds in the user's transaction account for later use, and a held money feature for retaining funds in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient; a second level that includes all features of the first level plus an access card enabling the user to access funds in the user's transaction account for off-line transactions; and a third level that includes all features of the first and second levels plus a credit line enabling the user to access both line of credit funds and accumulated balance funds in the user's transaction account, and wherein the user is allowed to have funds reside in the transaction account and use those funds for various types of transactions, including, e.g., international payments.

Referring to independent claim 71, there is no teaching or suggestion in Schutzer whatsoever of providing a transaction account with different service levels or a payments engine as recited in claim 71. On the contrary, Schutzer teaches that the biller signs up for billing service, and thereafter consumers can sign up to have the biller's bills presented to the consumer and have his bank pay his bills out of his bank account pursuant to his instructions. See, e.g., Schutzer, Col 13, line 45-Col 14, line 3; Col 15, lines 3-23. According to Schutzer, the biller submits bills for a particular cycle to the bill service provider, and the consumer service provider sends a notice of a new bill to the consumer's e-mail address, and the consumer either pays by sending an email with payment instructions to his payment processor, e.g., the bank where the consumer has a bank account, or via home banking/bill payment personal finance software that interfaces to the payment processor, which clears and settles the payment using, e.g., an ACH authorization. See, e.g., Schutzer, Col 15, lines 3-23.

As already noted, there is no teaching or suggestion in Schutzer whatsoever of providing a transaction account with different service levels or a payments engine as recited in claim 71, and it is abundantly clear that terms, such as biller “account” and consumer “account” refer to the arrangements establishing parameters for services to be provided to billers and consumers by service providers and not to the transaction as recited in claim 71. On the contrary, instead of providing a transaction account for the user by the payments engine as recited in claim 71, Schutzer teaches that the consumer’s bank simply pays the consumer’s bills pursuant to instructions from the consumer’s bank account. See, e.g., Schutzer, Col 15, lines 3-23.

As likewise already noted, there is no teaching or suggestion whatsoever in Schutzer of providing the transaction account by the payments engine. Nor is there any teaching or suggestion in Schutzer of allowing the user to use the transaction account provided by the payments engine for a transaction as recited in claim 71. On the contrary, instead of providing a transaction account that the user can use as a source and a destination of funds, Schutzer teaches that the bank where the consumer has his bank account simply pays the consumer’s bills out of the consumer’s bank account pursuant to instructions from the consumer. See, e.g., Schutzer, Col 15, lines 3-23.

As previously noted, Citibank.com is not prior art under 35 U.S.C. 102 and therefore does not cure the deficiencies of Schutzer.

Nelson and Schrader et al., which each disclose the QUICKEN home banking software, likewise do not remedy the deficiencies of Schutzer. There is no teaching or suggestion in Nelson and/or Schrader et al. whatsoever of providing a transaction account with different service levels by the payments engine as recited in claim 71. On the contrary, according to Nelson and Schrader, the user selects his own bank where he has his bank account from a menu of participating banks and enters his bank’s ABA routing number, his bank account number, and his customer ID number and furnishes details for payment of his bills to the bank via the home banking software, and the bank simply issues checks to pay the bills. See, e.g. Nelson p. 101-106; and Schrader et al., Col 15, lines 27-Col 16, line 12.

Nor does X.com, which discloses online banking services, remedy the deficiencies of Schutzer, Nelson, and Schraeder et al. There is no teaching or suggestion in X.com whatsoever of providing a transaction account with different service levels by the payments engine as recited in claim 71. On the contrary, X.com offers banking service through First Western National Bank, including a checking account that allows users to send money over the Internet to be retrieved at ATMs with debit cards mailed to the recipient, and invites users to open the account and receive a VISA check card and free starter kit of checks in the mail. See, e.g., X.com p. 3.

Neither does PayPal.com, which discloses payments by email, remedy the deficiencies of Schutzer, Nelson, Schraeder et al., and/or X.com. There is no teaching or suggestion in PayPal.com whatsoever of providing the transaction account with different service levels by the payments engine as recited in claim 71. On the contrary, according to PayPal.com, a user is allowed to log on to a website and register for the email payment services and make email payments using his own credit card or bank account or a check as the source account for email payments and withdraw funds by direct deposit to his source account. See, e.g., PayPal, p. 2.

Thus, Schutzer, Nelson, Schrader et al., X.com, and/or PayPal.com do not disclose, nor even suggest, the method for making online payments as recited in independent claim 71. Consequently, Schutzer, Nelson, Schrader et al., X.com, and/or PayPal.com do not recite the required combination of limitations of claim 71 proposing a method for making on-line payments, in which characteristics of the user indicative of a predefined service level for the user are identified by the payments engine from the user's enrollment information and a level indicator is appended to an enrollment file for the user; and in which the user is provided with the transaction account by the payments engine with a user service level and graphical user interface that corresponds to the appended level indicator upon receiving the user's designation of the source account by the payments engine; and which transaction account the user is allowed to use for transactions via the payments engine in response to prompts



displayed on the graphical user interface for the user at the terminal according to predetermined transaction parameters.

Regarding independent claim 72, as previously noted, Schutzer discloses electronic bill presentment in which the biller signs up for billing service with a bill service provider, and thereafter consumers can sign up to have the biller's bills presented to the consumer by enrolling with a consumer service provider. See, e.g., Schutzer, Col 13, line 45-Col 14, line 3. There is no teaching or suggestion in Schutzer whatsoever of providing a transaction account with different service levels as recited in claim 72. On the contrary, according to Schutzer, the biller submits bills to the bill service provider, the consumer service provider sends a notice the bills to the consumer's e-mail address, and the consumer arranges to pay the bills from his bank account by instructing his bank either by sending an email or via home banking software. See, e.g., Schutzer, Col 15, lines 3-23.

Further, as likewise already noted, it is apparent on its face that "account" as used throughout Schutzer in terms, such as biller "account" and consumer "account", refer to accounts in the sense of the word "account" as an arrangement establishing the parameters for services to be provided to the biller or consumer by the service providers instead of the transaction account recited in claim 72. Thus, instead of providing a transaction account for the user, Schutzer teaches simply that the consumer's bank pays the consumer's bills from the consumer's bank account as his source account pursuant to instructions from the consumer using the known ACH clearing and settlement process. See, e.g., Schutzer, Col 15, lines 3-23.

Inasmuch as Schutzer does not provide a transaction account as recited in claim 72, and it follows that Schutzer does not teach or suggest allowing funds to reside in a trust account so provided that the user can use for payments, purchases, or withdrawals as recited in claim 72. Nor is there any teaching or suggestion whatsoever in Schutzer of international payments as recited in claim 72. Instead, according to Schutzer, the consumer simply receives bills, e.g., by email from his consumer service provider,

whereupon his options are limited to sending payment instructions by email or home banking software to his bank, which then pays the bill from the consumer's bank account. See, e.g., Schutzer, Col 15, lines 3-23.

As previously noted, Citibank.com is not prior art under 35 U.S.C. 102 and therefore does not cure the deficiencies of Schutzer.

Nelson and Schrader et al., which both disclose the QUICKEN home banking software, do not remedy the deficiencies of Schutzer. There is no teaching or suggestion in Nelson and/or Schrader et al. whatsoever of providing a transaction account with different service levels as recited in claim 72. Nor is there any teaching or suggestion in Nelson and/or Schrader et al. of providing the transaction account within which the consumer is allowed to have funds reside in either a save for later portion or a held money portion as recited in claim 72. On the contrary, according to Nelson and Schrader et al., the user selects the bank where he has his account from a menu of participating banks and enters his bank's ABA routing number, his bank account number, and his customer ID number, the bank simply issues checks on the customer's bank account to pay his bills pursuant to instructions received by the bank from the customer via the home banking software. See, e.g. Nelson p. 101-106; Schrader et al., Col 15, lines 27-Col 16, line 12.

Inasmuch as Nelson and Schrader et al. do not provide a transaction account within which the consumer is allowed to have funds reside as recited in claim 72, it logically follows that there can be no funds residing in the transaction account which can be used by the user for payments, purchases, or withdrawals as recited in claim 72. Nor is there any teaching or suggestion whatsoever in Nelson and/or Schrader et al. of international payments as recited in claim 72. Instead, according to Nelson and Schrader et al., the bank customer sends instructions to his bank via the home banking software to have the bank issue checks to pay the customer's bills, or the customer can use the home banking software of Nelson and Schrader et al. to check his account balance or to transfer funds between his accounts with the bank. See, e.g., Nelson, p. 103-108; Schrader, Col 15, line 55-Col 19, line 24.

X.com does not remedy the deficiencies of Schutzer, Nelson, and Schrader et al. While X.com offers customers banking service through First Western National Bank, including a checking account and movement of cash into and out of the customer's checking account, there is no teaching or suggestion whatsoever in X.com of providing a transaction account for the user as a money deposit account with different service levels as recited in claim 72. See, e.g., X.com p. 3. Nor is there any teaching or suggestion in X.com whatsoever of providing a transaction account within which the consumer is allowed to have funds reside in either a save for later portion or a held money portion as recited in claim 72. Instead, X.com merely offers the banking service, including the checking account, through First Western National Bank. See, e.g., X.com p. 3. Neither is there any teaching or suggestion whatsoever in X.com of international payments of any kind, much less of international payments via an international payment service in a foreign currency with funds in the transaction account as recited in claim 72. On the contrary, X.com simply offers banking service, including the checking account that allows the banking customer to send money over the Internet to be retrieved at an ATMs with a debit card. See, e.g., X.com p. 3-6.

PayPal.com does not remedy the deficiencies of Schutzer, Nelson, Schrader et al., and X.com. While PayPal allows the user to designate his credit card or bank account as source account for email payments, as already noted, there is no teaching or suggestion in PayPal.com whatsoever of providing a transaction account with service levels by a payments engine as recited in claim 72. Nor is there any teaching or suggestion in PayPal.com whatsoever of providing the transaction account within which the consumer is allowed to have funds reside in either a save for later portion or a held money portion as recited in claim 72. Neither is there any teaching or suggestion whatsoever in PayPal.com of international payments of any kind, much less of international payments via an international payment service in a foreign currency with funds in the transaction account as recited in claim 72. On the contrary, PayPal simply allows the user to designate his own credit card or bank account as the source

account for email payments and withdraw funds by direct deposit to his bank account. See, e.g., PayPal, p. 2.

Thus, Schutzer, Nelson, Schrader et al., X.com, and/or PayPal.com do not disclose, nor even suggest, the method for making online payments as recited in independent claim 72. Consequently, Schutzer, Nelson, Schrader et al., X.com, and/or PayPal.com do not recite the required combination of limitations of claim 72 proposing a method for making on-line payments, in which the user is provided with a transaction account as a money deposit account that the user can use as a source and a destination of funds and with one or more service levels upon receiving the user's enrollment information and designation of the source account, in which transaction account the user is allowed to have funds reside in either or both of the save for later or held money portions of the transaction account and to use the funds for various transactions, including, e.g., international payments via an international payment service in a foreign currency, and in which the user is also provided with a credit facility to supplement the save for later portion of the funds in the transaction account for use in any of such transactions, but only after depleting the save for later portion of the funds in the transaction account.

The claimed combinations are not taught or suggested Schutzer, Nelson, Schraeder et al., X.com, and/or PayPal.com either separately or in combination with one another. Because the cited references, either alone or in combination, do not teach the limitations of independent claims 1, 34, 71, and 72, the Examiner has failed to establish the required prima facie case of unpatentability. See In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a prima facie case of obviousness requires the references to teach all of the limitations of the rejected claim); See also MPEP §2143.03.

The Examiner has failed to establish the required prima facie case of unpatentability for independent claims 1, 34, 71, and 72, and similarly has failed to establish a prima facie case of unpatentability for claims 2-33 that depend on claim 1, claims 35-70 that depend on claim 34 and claims 44-47 that depend on claim 43 and

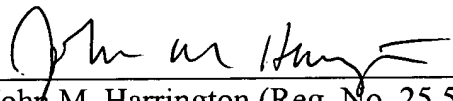
which recite further specific elements that have no reasonable correspondence with the references.

**Conclusion**

In view of the foregoing amendment and these remarks, each of the claims remaining in the application is in condition for immediate allowance. Accordingly, the examiner is requested to reconsider and withdraw the rejection and to pass the application to issue. The examiner is respectfully invited to telephone the undersigned at (336) 607-7318 to discuss any questions relating to the application.

Respectfully submitted,

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